Presentation to the Romanow Commission on the Future of Health Care

By Premier Pat Binns
and Health and Social Services Minister Jamie Ballem

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Prince Edward Island
CANADA

(Slide 1)

Introduction

- It's my pleasure to welcome you Mr. Commissioner to Prince Edward Island.

- We commend the federal government for organizing this national discussion on how to ensure the sustainability of our health system.

- We appreciate the opportunity to participate because access to quality health care is the number one issue concerning Islanders today. It is our government's number one priority, and also our number one challenge.

- Our Island communities are built on strong social values which mean that every child has the opportunity to receive a quality education, and every citizen has equal access to quality health care.

- Obviously, Islanders are deeply concerned when these values are threatened.

- This discussion is timely because we are now at a very critical point in determining how to sustain our health care system.

- I should say, before going much further, that I am very proud of Prince Edward Island's health system.

- We in this province are extremely fortunate to have a group of health professionals committed to improving the quality of life of Islanders. Our nurses, physicians, and other health professionals are vital to the delivery of quality health services in this province, and I acknowledge their significant contribution.

- As a province, we have invested heavily in health care for the past several years. We have built new health facilities, added new services, new drugs, new technology, more nurses, more doctors, and other health professionals.

- At the current rate of growth, spending on health and social services will consume more than half our total provincial program expenditures in one-to-two budget years.

- We are very concerned about how to sustain this high rate of growth, without eroding our ability to make strategic investments in other important priority areas like education, early childhood development, and the environment.

- The health care system is not an end, but the means to an end, which is a healthy population. Most of what determines the health of a population lies outside the "conventional" health care system .... and for this reason, we must continue to make balanced investments in other strategic priority areas, as well as health care.

- Today, Minister Ballem and I will tell you about the challenges and opportunities we see, to improve health and the sustainability of our system in Prince Edward Island.

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- We will conclude with four strong recommendations for your consideration Mr. Commissioner, and they are:

    - Reinforce the values of Canadians as expressed through the principles of the Canada Health Act.

    - Respect and protect those principles, so as to ensure that Canada's health care system remains publicly funded and publicly administered, but also recognizes the continuing valued role of selective alternative delivery methods.

- Reinforce the importance of population health and wellness in improving the sustainability of our health system.

- Recommend a re-commitment by the federal government as a funding partner in Canada's health system, both in terms of base funding and system innovation.

- Although we are Canada's smallest province, we feel we can make an important contribution to this discussion.

- While our small size provides us with some challenges, it also provides us with unique opportunities to innovate more quickly and more effectively than some of our larger counterparts.

- Our presentation today will focus on those challenges and those opportunities which we believe are the foundation for an effective and sustainable health system.

Our System

- Before going further, I want to provide you with a brief overview of PEI's unique system of health and social services.
- Almost ten years ago, we became one of the first provinces to adopt a regional governance model ..... which devolves the planning and delivery of services to the community level to respond to unique community needs.

- While we continue to make improvements, we believe strongly in the regional model because it enables us to break down the barriers between services, and create systems which support improved health outcomes and utilization of services.

- Regions are governed by Regional Boards of elected and appointed members, which provide a strong community voice in the system.

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- We have, perhaps, the most integrated system of services in the country which consists of a wide range of health and social services, including:

- Acute care (two secondary hospitals and five community hospitals, total of 474 beds)
- Long Term Care (about 1000 beds evenly distributed between the public and private sectors)
- Physician services (about 170 physicians, of whom 40 are salaried)
- Home Care
- Provincial Drug Programs
- Mental Health
- Public Health
- Addiction Services
- Children's Dental Health
- Environmental Health
- Social Assistance
- Child Protection
- Housing

- The integration of these many services has worked well in PEI because it has enabled us to increase our focus on prevention, early intervention, and disease management.

Funding **(Slide 4)**

- Funding Health and Social Services has been, and continues to be the biggest challenge for us as a government.

- Over the past five years, provincial spending on health and social services has grown from $286 million to $390 million, an increase of 36 percent.

- Provincial spending on health care alone in the last five years has grown from $208 million to $306 million, an increase of 44 percent.

- In contrast, PEI's expected federal CHST cash transfer in 2002-2003 of $89 million, is actually less than the amount we received ten years ago through CAP/EPF which was $94 million.

Some of the key areas where costs have increased are: **(Slide 5)**

Program Area	Expenditures* 97/98	Expenditures* 02/03	% Increase
Drug Programs	**$9.3M**	**$16.7**	**80%**
Long Term Care	**29.4**	**39.2**	**33%**
Salaries and Benefits	**136.0**	**170.0**	**25%**
Physician Services	**33.0**	**46.0**	**40%**
Home Care	**4.5**	**8.1**	**80%**
Ambulance Services	**2.0**	**3.9**	**95%**
Blood Services	**1.8**	**4.1**	**127%**

* millions

- We are very concerned, that without effective interventions, these costs will increase even further.... as new knowledge continues to become available, and as the population ages.

- Our immediate challenge is to fund increases in the shorter term..... and to make needed reforms that help to control costs and reduce demand on the system over the longer term.

- The federal government has a responsibility to assist in both these areas by beginning immediately to pay a larger share of health care costs..... and by providing transition funding to make needed improvements in service delivery.

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- In PEI, our spending as a percentage of GDP is the second highest in the country at 12 percent, compared to the national average of 9.2 percent.

- What this means is that we spend considerably more of our wealth on health than most provinces do.

- During recent public consultations on our province's Strategic Plan for Health and Social Services, Islanders stated very clearly the great value they place in our publicly funded and publicly administered health care system.

- They understand that our Medicare system was built on the strong belief that all Canadians should have equal access to health care, regardless of where they live or their ability to pay.

- But, while our provincial health systems have evolved, Medicare has not, as you, Mr. Romanow so clearly stated in your interim report.

- While the provinces and territories have struggled to provide more and more services, federal funding has declined significantly.

- We believe that if the federal government wants to maintain the authority to enforce the principles of the Canada Health Act, it needs to fund a larger and more equitable share of provincial health care costs.... by re-instating funding which was once available, while recognizing the rate of expenditure growth being incurred by the provinces to meet the health care needs of Canadians.

- Clearly stated, provinces are currently carrying the ball, but cannot continue to do so without an appropriate commitment from the federal government.... a commitment which should be the expectation of every Canadian.

- Federal funding through the Equalization program is very important to us because it helps to reduce disparities in the level of services between provinces.

- In PEI, where we've had no significant increases in revenues or population growth, Equalization essentially means whether or not Islanders have the same access to health care that other Canadians enjoy.

- The Equalization Program needs to be strengthened to fulfil its Constitutionally mandated purpose.

- The federal cash reinvestment in CHST announced in September 2000 was an incomplete exercise. More is needed to restore the federal funding share to pre 1995 levels.

- The CHST has not kept pace with escalating costs, and now only covers about 14 percent of total health and other social program costs borne by the provinces.

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- To address the issue of funding for health care in Prince Edward Island, I wish to reiterate now the same two recommendations made to the Prime Minister by the Premiers at our January meeting in Victoria:

  - immediately remove the Equalization ceiling and begin work on the development of a strengthened and fairer Equalization formula, including as one possible alternative, a ten-province standard

  - restore federal funding through the CHST to at least 18 percent, with the addition of an appropriate escalator to meet rising costs

- With record budget surpluses, the federal government has never in its history been in a better position to repair the Equalization program, and to strengthen the CHST to reflect current realities.

<u>Improved Service Delivery</u> **(Slide 8)**

- Sustainability can also be improved through innovations in service delivery which improve health outcomes, and reduce demand on the system.

- These innovations include increased access to primary and community services that prevent, reduce and manage illness.

- PEI, like the other Atlantic provinces, has very high rates of chronic disease such as cancer, cardiovascular disease, diabetes and asthma.

- We are concerned about these trends, because we know that many chronic conditions are preventable through healthy lifestyle choices such as choosing not to smoke, having a healthy diet, and being physically active.

- But without new resources, it has been extremely difficult for us to reallocate funding from existing services which treat these illnesses, to ones that help people to prevent, reduce and manage them.

- The federal Health Transition funding we've been able to access over the years has gone a long way to help us to begin to shift our focus from illness to wellness.

- Transition funding for improved service delivery models is a key area where the federal government can improve the health of Canadians and the sustainability of our system.

- We believe that our small and very integrated system provides PEI with added opportunities to develop improved service delivery models, which are applicable to other jurisdictions.

Collaborative Partnerships **(Slide 9)**

- Several new challenges are placing added pressures on our health systems, such as new high tech treatments, new life enhancing drugs, and increased demand for health professionals. These are big challenges that all jurisdictions share, ones which could be better addressed through improved collaboration.

- In Atlantic Canada, we are fortunate to have good relationships within our regional health system. This is especially important for PEI because we partner with centres like Halifax, Moncton and Saint John for many tertiary services, such as specialized paediatric and cardiac care.

- However, as more specialized and costly services become available, we are concerned that good working relationships may not always be enough to sustain our access to these services. The federal government could play a stronger role in strengthening planning and access to specialty services among the various regions.

- Although new drugs are having a tremendous positive impact on people's health, we now spend more money on prescription drugs in Prince Edward Island than most other provinces do.

- The process to approve new drugs for coverage is a major challenge, and we are optimistic about the new Atlantic and national Common Drug Review committees which will review new drugs using expert committees.

- This will support equitable access to drug coverage by Atlantic Canadians. It is also a much smarter approach because we don't have the human or financial resources to be duplicating this work in every province.

- However, much more collaboration is needed in this area to provide information on the effectiveness and cost benefit of new medications; the development and evaluation of prescribing practices and medication use; and the regulation of prices of generic and non-patented drugs.

- Health human resource planning is another major challenge shared by most jurisdictions.

- Increased collaboration by federal, provincial and territorial agencies could help to ensure an adequate supply of health professionals.

- It could also provide support to health employers and educators to determine the necessary human resource skills and competencies required to support innovations in service delivery, rather than this being determined by professional organizations.

Conclusion

- In summary, we recommend that a collaborative approach to emerging challenges such as access to tertiary care, drug utilization, and human resource planning can improve effectiveness, reduce unnecessary duplication, and prevent the development of a ten-tier system in Canada where the level of quality and access to health care depends on which province you choose to live in, or visit.

- I'll now ask Minister Ballem to tell you more about our strategic plan, and the reforms we've implemented to renew our system in Prince Edward Island.

Minister's Remarks
to the Commission on the Future of Health Care

- I also want to welcome the Commission, and thank you for this opportunity to engage Islanders in this important discussion on the future of health care.

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- Today, I want to tell you about some of the things we're doing to implement our five-year strategic plan for the PEI Health and Social Services System.

- The Premier mentioned that there are benefits to being small, and the ability to plan together as a system is one of those advantages.

- Our strategic plan provides us with a clear vision of where we want to go as a system. It is truly a system-wide plan which is now guiding our Department and Regions to increase our emphasis on wellness and children's health, and to improve accountability and sustainability.

- Public consultations on the draft plan were an excellent opportunity to involve Islanders in setting direction for the system, and to hear first-hand how they value our services.

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- During the consultations, they urged us to move forward quickly in several areas to:
  - promote wellness by providing citizens with tools and knowledge to take more responsibility for their own health, and by investing in healthy child development
  - maximize the knowledge, skills and use of existing providers
  - build stronger partnerships to address the determinants of health with NGO's, and sectors with responsibility for education, employment and the environment

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- They also asked us to:
  - take care in reallocating resources from existing services
  - ensure that the special needs of women, children, seniors and low-income families continue to be met
  - ensure the continued sustainability of our publicly funded and publicly administered system

- The strategies outlined in our plan respond to these recommendations, and I'll touch on just a few of them today.

- We believe that to improve the sustainability of our health care system, we must improve the health of our population and the appropriate utilization of health services through an increased focus on primary health care, wellness, early childhood development, and influencing the broader determinants of health.

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- Our plans for Primary Care Redesign include the development of Family Health Centres where three or more salaried physicians work in teams with other providers to deliver those important community services which help people to prevent and manage illness.

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- To support the primary care teams, a comprehensive five-year Health Promotion and Chronic Disease Prevention Strategy is now being developed.

- This will enable government and communities to take a coordinated and concerted approach to address risk factors for chronic disease such as smoking, nutrition and physical activity, based on our 2001 Community Health Survey.

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- Diabetes is increasing at epidemic proportions in our province, and through our provincial diabetes strategy, people with Type II diabetes are now receiving increasing support to manage their illness, and prevent complications from it.

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- While Islanders have high levels of mental health status, this area has been historically underfunded. We are now making significant investments in community mental health to increase supports to clients and caregivers of people with persistent mental illness, and reduce our high rates of hospitalization for these illnesses.

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- In partnership with our Department of Education, and other sectors, we are leading a provincial Healthy Child Development strategy to ensure that Island children have the opportunity to reach their full potential.

- This work is based on the knowledge that how children learn, behave, form relationships and enjoy good health in later life is very dependent on how they are nurtured in the prenatal period and the very early years.

- Our activities this year will support a continuum of early intervention and screening services; strengthened linkages among community groups who work for children; and improved monitoring and reporting on child outcomes in PEI.

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- This year, PEI became the first province in Canada to transfer funding and support services for persons with disabilities from the Welfare Assistance program to a new Disability Supports Program. Persons with disabilities are now supported by trained workers who work with them and their families to develop individualized plans and the required disability-specific supports to help them meet their desired potential.

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- We are the first province to have completed a province-wide Health Human Resource Supply and Demand Analysis. The analysis provides us with a detailed five-year forecast of our supply of health professionals, and anticipated demand in both the public and private sectors. This information is now enabling our employers and educators to plan together to better meet current and future human resource needs.

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- We are well ahead in the development of our health information systems... and now very close to having access to comprehensive electronic health records which support increased access to current information, and effective case planning.

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- Our service delivery systems are being enhanced through new communications technology such as Tele- Home Care, and Radiology Picture Archiving, which now enables us to transmit diagnostic images between facilities and physician offices.

- Just last week, we announced a restructuring plan to further support our strategic direction.

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- Under the new structure, primary and secondary services will be realigned to support the distinct roles of these services.

- The plan includes two key elements.

- First, our two secondary hospitals are being brought out of the regions and under the authority of a new Provincial Health Services Authority, along with our provincial mental health and addiction services. This will support improved planning, quality and access to these specialized secondary services.

- All Regions will now have a clear and consistent mandate to plan and deliver primary health and social services focused on prevention, early intervention and disease management.

- In conclusion, we believe that we now have the vision and the structure to support significant improvements in health, and sustainability.

- Our major challenge now is to fund the transitions to improved service delivery models, while maintaining the confidence of providers and the public.

Premier's Concluding Remarks

- The Minister's presentation outlines very clearly the major advancements we have made to renew and reform our system.

- And he is right in concluding that public and provider confidence is essential to the success of systemic change..... because people need to see new systems working before they can let the old ones go.

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- In closing, I want to restate our recommendations to the Commission which are to:

    - Reinforce the values of Canadians as expressed through the principles of the Canada Health Act.

    - Ensure Canada's health care system remains publicly funded and publicly administered, but allows for a continuing selective role in private sector delivery of some services.

    - Reinforce the importance of population health and wellness in improving the sustainability of our health system.

    - Recommend a stronger role for the federal government as a funding partner in Canada's health system, both in terms of base funding and system innovation.

- More specifically, to have a sustainable health care system in Canada, the provinces and territories can no longer continue to go it alone in funding escalating health care costs. The federal government must begin immediately to pay a higher share of the costs by immediately removing the Equalization ceiling and strengthening the Equalization formula, including the adoption of a ten-province standard.

- It must also restore the CHST to at least 18 percent of what the provinces and territories are now spending, with the addition of an appropriate escalator.

- The provinces have made tremendous progress in identifying needed reforms to improve services, and the health of Canadians. Federal funding is needed for the transitions to these improved service delivery models, which promote health as well as provide quality illness care.

- Provinces and territories are all facing new challenges to ensure access to highly specialized services, improve drug utilization, and ensure an adequate supply and appropriate mix of health professionals. These are issues which are better addressed collaboratively, and the federal government can help to support improved collaboration in these areas.

- We are confident that the recommendations we are making today are the right ones.

- Our health care system is one of our proudest achievements, and it can be made even better by implementing the recommendations we are making today.

Thank you Mr. Commissioner.